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ABSTRACT

A brief overview is presented by a blue ribbon commission on the organization of elementary/secondary education and higher education in California, funding provided to community colleges, and recommendations of the California Postsecondary Education Commission regarding postsecondary education. In addition, an outline of issues facing postsecondary education in California is included. According to the commission, the master plan for higher education provides for differential functions among the three public segments of higher education: the community colleges, the state university and college system, and the University of California. The commission recommends that statewide institutional policies for the 1980's emphasize greater differentiation of functions with the three sectors (including more specialized campus missions) and greater cooperation among institutions and sectors. The commission recommends that the California Postsecondary Education Commission and the State Scholarship Commission study the relationship between current federal funding for higher education and the fee structure and financing of public higher education in California, with a view toward increasing California's share of federal education funds without placing an added burden upon lower and middle income students. The commission finds that the present concept of a state-local partnership for funding for community colleges is basically sound and recommends a mixed basis of funding for community colleges in which the state provides the major portion of funding as opposed to full state assumption of financing. Proposition 13 and the following postsecondary education issues are outlined: the problems ofcommunity college finance, adult education, student charges, and equity dilemmas in funding among the segments of postsecondary education. (SW)



POST COMMISSION FINAL DRAFT January 22, 1979

Recommendations of Interest to Commission

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Organization for Education

California is divided into 669 elementary school districts, 115 high school districts, and 258 unified school districts, for a total of 1,042 school districts. Alpine, Del Norte, Mariposa, Plumas, San Francisco, and Sierra counties have only one district each, while there are 81 in Los Angeles County alone. In 1977-78, active local school districts received income of \$8.19 billion, of which 51.4 percent came from local property taxes and 38.1 percent from State school funds. 9/

Community colleges are administered by locally-elected boards of trustees, with a statewide, appointed Board of Governors of 15 members to provide policy guidance. The 70 community college districts, 13 of which are located in Los Angeles County, reported general fund income of \$1.43 billion in Fiscal Year 1977-78, 46.5 percent from local property taxes and 41.0 percent from State school apportionments.2/

The University of California is governed by a 22-member Board of Regents given full power of organization and government by the California Constitution. In 1977-78, the budget for the University's nine campuses, including extramural programs, was more than \$2.46 billion, of which approximately 39 percent was Federal funds. The 19 campuses of the California State University and Colleges (CSUC) system spent \$969 million that year. A Board of Trustees appointed by the Governor is responsible for the CSUC system.

Community College Participation

A block grant of \$260 million was appropriated through the State's relief program for distribution to California's community colleges. The Chancellor's Office of the Community College System has the responsibility for allocating the funds so that each college district receives the same percentage of its "target budget" with certain exclusions. The target budget has been defined by statute (Section 84904 of the Education Code) to mean an increase of 6.8 percent over 1977-78 fiscal year revenues. Certain apportionments made to community college districts pursuant to other statutory provisions, available local property tax revenues and available reserves were deducted from the target budget for purposes of determing a district's allocation.

The Chancellor's Office reports that 66 of the 70 community college districts comprising 102 colleges are presently receiving funds from the grant. The current estimated budget level for the districts is approximately 85 percent of the target budgets. The remaining four (single-college) districts are not eligible to receive funds, because, as a result of local revenue and/or reserves, their locally available funding exceeds the estimated 85 percent budget level.

- 6/ Based on fiscal information submitted by school districts to the State Department of Education
- 7/ Based on fiscal information submitted by Community College Districts to the Community Colleges Board of Governors, Chancellor's Office.
- 8/ California Governor's Budget 1979-80 (1979) Pages 942 and 988.



Vocational Education and Training

The Commission recognizes the need and value of vocational skills training programs.

The Commission recommends the allocation of State funds to such programs as needed to supplement federal and local funding.

The Commission recommends that the California Postsecondary Education Commission evaluate and recommend appropriate means to eliminate the present overlap, duplication and competition in vocational education programs between high schools and community colleges.

Postsecondary Education

The Commission finds that the Master Plan for Higher Education provided for differential functions among the three public segments of higher education: the community colleges, the State University and College system, and the University of California.

The Commission recommends that statewide institutional policies for the 1980's build on the foundation of the Master Plan emphasizing greater differentiation of functions within the three segments. More specialized campus missions, and greater cooperation (sharing of facilities, programs, and faculties) among institutions and segments.

The Commission recommends that each postsecondary institution review its existing programs in an effort to improve quality and efficiency, and consider particularly, without hampering our high research capability, the consolidation or termination of duplicate graduate and professional programs with low enrollment and/or degree conferral rates and low student and/or societal demand.

The Commission finds that substantial Federal funds are available under the Basic Educational Opportunity Grant and other programs to help offset tuition costs of low- and moderate-income students, but that California's public postsecondary education institutions are unable to take full advantage of such programs because of the low fee structures at such institutions.

The Commission recommends that the California Postsecondary Education Commission and the State Scholarship Commission study the relationship between current federal funding for higher education and the fee structure and financing of public higher education in California with a view toward increasing California's share of federal education funds without placing an added burden upon lower and middle income students.

The Commission finds that the present concept of a State-local partnership for funding of community colleges is basically sound.

The Commission recommends a mixed basis of funding for community colleges in which the State provides the major portion of funding as opposed to full State assumption of financing.



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AN OUTLINE OF SOME ISSUES FACING POSTSECONDARY EDUCATION IN CALIFORNIA

- I. The Issues Directly Related to Proposition 13
 - A. The Problems of Community College Finance
 - Allocation Mechanism (grants based on enrollment? categorical aid?)
 - 2. District Equalization in Funding
 - Local and State Responsibilities in an essentially State funded system?
 - a. Decisions Appropriate for the State
 - b. Decisions Appropriate for the local Boards
 - 4. Functions of the Community Colleges
 - a. Should certain functions be modified or deleted?
 - b. Which functions should be subsidized by the public?
 - c. Which functions should be self-supported (user fees)?
 - d. Is credit/non-credit a meaningful distinction on a statewide basis?
 - (1) As a basis for educational policy?
 - (2) As a basis for State funding?
 - B. Adult Education
 - Delineation of function between K-12 and the California Community Colleges
 - a. Adult Basic Education*
 - b. English as a Second Language
 - c. Courses for Naturalization*
 - d. Industrial-Vocational (apprenticeships)*
 - e. Courses for Handicapped persons*
- These courses were exempted from the prohibition against state apportionments for non-credit courses in SB 154.



- f. Continuing education to improve skills
- g. Courses to improve citizenship
- h. Recreational/vocational
- The proper source of funding for each of these areas (State, federal, student)

C. Student Charges

- 1. Who should pay?
- 2. How much should student pay? Considerations:
 - a. Impact of student charges on access, enrollment distribution among public and independent segments
 - b. Impact of student charges on financial aid programs and the flow of federal student aid funds to California
- 3. Basis of Charges?
 - a. Instructional Cost
 - Ability to pay (by lower division, upper division, graduate, etc.)
 - c. Program
 - d. Institutional type
 - e. Possible future income
 - f. Credit load (part-time, full-time)
- D. Equity Dilemmas in Funding among the segments of Postsecondary Education
 - Should there be equal funding for equivalent service in all public segments?
 - 2. Should the same legislative and executive budget review process be used for all public segments?
 - a. If not, what is the basis for different procedures?
 - 3. What should be the basis for increases in faculty and staff salaries?
 - a. Comparison institutions?
 - b. Cost of living?



- c. Supply and Demand for faculty?
- Total compensation (including consulting income, etc.)
- 4. Public-private enrollment distribution; role of state scholarship programs
- II. Existing Problems in Postsecondary Education which were Intensified by Proposition 13
 - A. The adjustment to steady-state and declining enrollment
 - B. Shifts in student demand for various programs
 - C. Higher costs per student as enrollments stabilize and/or decline
 - D. Increasingly higher proportion of tenured faculty
 - E. Excess capacity in programs, facilities, institutions, and segments
 - F. The need for mechanisms at the segmental and State level to review existing programs and to reallocate resources
 - G. Quality
 - The appropriateness of the various admission standards
 - 2. Ways of measuring the skills of entering students
 - 3. Academic standards
 - 4. The effectiveness of the instructional process
 - 5. Problems of remediation
 - H. Declining Employment Prospects
 - 1. The opportunities for holders of a bachelor's degree
 - 2. The over-supply of Ph.D.'s for traditional kinds of employment

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